LEASE AGREEMENT

This Lease Agreement (this "Agreement") is made and entered into as of _______, 2015 ("Effective Date") by and between the City of Parma, Ohio, ("Parma" and sometimes "Landlord") and Cleveland Communications, Inc., an Ohio corporation ("CCI" and sometimes "Tenant") under the following circumstances.

BACKGROUND

- A. Parma is an Ohio municipality which provides a variety of public services to the residents in Parma, including but not limited to safety services for the benefit of all persons in the city limits;
- B. CCI is an Ohio corporation which operates in Ohio for profit by selling, maintaining and operating a variety of computer software and hardware as well as applications, which provide a variety of services to CCI's customers;
 - C. CCI is a sales representative for Harris in Ohio;
- D. In connection with providing safety services to its residents, Parma acquired, owns and operates Harris' VIDA Core and radio system with dispatch consoles (the "Radio System") to efficiently deploy Parma municipal law enforcement, fire, EMS and other safety service forces upon demand; In addition, Parma provides access to their Harris radio system to multiple neighboring cities safety forces and service departments;
- E. The Radio System significantly enhances Parma's ability to provide safety services efficiently and effectively to the citizens in Parma;
- F. Parma desires to maintain the Radio System with all of the latest technology and software patches, fixes and up-grades;
- G. Parma has entered into a maintenance services agreement with CCI for the Radio System, which Parma has agreed to pay for any and all software patches, fixes and up-grades to the Radio System (the "Software FX");
- H. The Software FX program is available annually from Harris for a substantial purchase price and Parma would like to receive the Software FX from CCI;
- I. Certain of CCI's customers including Parma, could benefit from installing certain computer software and hardware components, including but not limited to an ISSI & BeOn (collectively, "CCI Facilities") through Parma's Radio System;
- J. CCI desires to expand its operations to include buying and selling computer software applications using additional CCI Facilities installed in Parma's Radio System Infrastructure while maintaining Parma's autonomy unless permission is granted by Parma for said customers interface to Parma's safety or service talk groups;



- K. Parma desires to gain access to CCI Facilities, including the ISSI, and to acquire additional BeOn applications for the smart phones used by Parma's safety service forces;
- L. Initially, CCI will endeavor to add two (2) radio systems interfaced to the ISSI interface through Parma's Radio System, to wit: Ohio MARCS and City of Cleveland;
- M. At the request of CCI, Parma desires to lease to CCI certain space inside of the Radio System which Parma is not using and consents to CCI's installation of certain CCI Facilities on the Radio System subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. <u>Background Facts Incorporated into this Agreement</u>. The facts and circumstances as described in the Background section above is hereby incorporated into this Agreement as if fully rewritten herein.
- 2. <u>Leased Premises</u>. In exchange for Rent paid, subject to the terms and conditions of this Lease, Parma hereby leases and rents to CCI that certain designated space located inside the Radio System which is not being used by Parma ("Leased Equipment Space") for any legal radio business operation. Notwithstanding the foregoing, CCI covenants and agrees that (a) its use of the Leased Equipment Space shall not interfere with Parma's operations and responsibility to provide and dispatch safety services to the public located in Parma's jurisdiction or that of their customers; (b) CCI's rights to run certain software on hardware installed in the Radio System shall not interfere with Parma's providing and dispatching safety services to the public on demand using the Radio System; and (c) CCI shall provide its own software, hardware and internet connection for CCI's use and operation in connection with its for profit business operations. Nothing in this Agreement shall be construed to mean that CCI has any ownership interest in or to the Radio System.
- 3. Rent. In exchange for the Leased Equipment Space, CCI shall pay to Parma the following amounts ("Rent") starting on the first day of the sixth (6th) month following the Effective Date (the "Rent Commencement Date"):

a. Cash Payments:

- i. Lease Year 1: \$250.00 per calendar month
- ii. Lease Year 2: \$350.00 per calendar month
- iii. Lease Year 3: \$500.00 per calendar month
- iv. Lease Year 4: \$600.00 per calendar month
- v. Lease Year 5: \$800.00 per calendar month
- vi. Any Lease Year during a Renewal Term: To be mutually agreed to but in no event shall be less than the previous Lease Year.

- b. <u>Software Applications</u>: CCI shall provide to Parma 25 BeOn applications for 25 smart phones used by Parma's safety service forces.
- c. <u>Software FX</u>: CCI will share the cost of Parma's Software FX updates from Harris Corp. CCI will assume the cost of the ISSI & BeOn server updates.
- d. <u>ISSI Connectivity</u>: CCI will provide connectivity for Parma through the ISSI gateway, initially to Cleveland and Ohio MARCS. Subsequent interfaces will be agreed to by both parties.

The term "Lease Year" shall mean the first twelve (12) full calendar months after the Rent Commencement Date (as defined) and each subsequent twelve (12) month period thereafter during the term and any extensions.

- 4. <u>Term.</u> This Agreement shall begin upon the execution and delivery hereof by both parties hereto and shall continue until the last day of the month of Lease Year 5 ("Term"). Thereafter, this Agreement shall automatically renew for the next succeeding five (5) calendar years (each a "Renewal Term") unless either party terminates by written notice delivered to the other party at least sixty (60) calendar days prior to the then expiring term.
- 5. Indemnification. Tenant shall indemnify, defend and protect Landlord, and hold Landlord harmless from any and all loss, cost, damage, expense and/or liability (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising at any time and from any cause whatsoever in or about the Leased Equipment Space, other than damages proximately or directly caused by reason of the gross negligence or willful misconduct of Landlord or its agents and employees, including, without limiting the generality of the foregoing: (i) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Lease on Tenant's part to be observed or performed; (ii) the use or occupancy of the Leased Equipment Space by Tenant or any person claiming by, through, or under Tenant; or (iii) any acts, omissions or negligence of Tenant or any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, visitors or licensees of Tenant or any such person, in, on or about the Leased Equipment Space, either prior to or during the Term or any Renewal Term (including, without limitation, any holdovers in connection therewith). The provisions of this Section are subject to Force Majeure as set forth in Section 12 below. The provisions of this Section shall survive the expiration or sooner termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination, and shall not be limited by reason of any insurance carried by Landlord and Tenant.
- 6. <u>Insurance</u>. Tenant shall deliver to Landlord evidence of the existence and amounts of liability insurance to cover the liabilities identified in Section 5 above. Tenant shall deliver to Landlord the most current versions of an ACORD 25 Certificate of Liability Insurance in connection with Tenant's liability policy(ies) and an ACORD 28 Evidence of Commercial Property Insurance in connection with Tenant's property policy(ies). Such ACORD Forms shall name Landlord as an additional insurance and shall be delivered to the Landlord on or before the Effective Date hereof and thereafter, prior to expiration of the policies.

- 7. <u>CCI's Representations and Warranties</u>. CCI represents and warrants to Parma as follows:
- a. CCI is duly organized and validly existing and in good standing as a corporation under the laws of the State of Ohio.
- b. This Agreement has been duly executed and delivered by CCI and constitutes the legal, valid and binding obligation of CCI, enforceable in accordance with the terms hereof, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights.
- c. There is no action, suit, proceeding or investigation pending, or to CCI's knowledge, threatened, before any agency, court, or other governmental authority that relates to CCI's ability to perform its obligations under this Agreement.
- 8. <u>Parma's Representations and Warranties</u>. Parma represents and warrants to CCI as follows:
 - a. Parma is an Ohio municipality.
- b. Parma owns the Radio System free and clear of any liens or encumbrances.
- c. This Agreement has been duly executed and delivered by Parma and constitutes the legal, valid and binding obligation of Parma, enforceable in accordance with the terms hereof, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights.
- d. There is no action, suit, proceeding or investigation pending, or to Parma's knowledge, threatened, before any agency, court, or other governmental authority that relates to the Radio System or to Parma's ability to perform its obligations under this Agreement.
- 9. Events of Default. If any one of the following events shall occur (each an "Event of Default"), then the non-defaulting party shall provide written notice to the defaulting party and allow at least fifteen (15) calendar days prior to taking any further legal action:
- a. Either party fails to perform any obligation required by such party under this Agreement.
- b. Any representation or warranty made by either party under this Agreement proves to be incorrect, false, or misleading.
 - c. CCI is unable to gain access to or use of the Leased Equipment Space.
- d. A general assignment by either party for the benefit of creditors, or the filing by or against either party of any proceeding under any insolvency or bankruptcy law, unless in the case of a proceeding filed against such party is dismissed within ninety (90) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets

of such party, unless possession is restored to such party within ninety (90) days, or any execution or other judicially authorized seizure of all or substantially all of such party's assets, unless such seizure is discharged within ninety (90) days.

- e. If either party assigns this Agreement in violation of Section 14 below.
- 10. <u>Default by CCI</u>. If an Event of Default by CCI occurs and be continuing beyond any applicable grace period, Parma may exercise any and all remedies at law or equity, or institute other proceedings, including, without limitation, bringing an action or actions from time to time for specific performance, and/or for the recovery of amounts due and unpaid and/or for damages. Election of one (1) remedy by Parma is not a waiver of other available remedies
- 11. <u>Default by Parma</u>. If an Event of Default by Parma occurs and be continuing beyond any applicable grace period, CCI may exercise any and all remedies at law or equity, or institute other proceedings, including, without limitation, bringing an action or actions from time to time for specific performance, and/or for the recovery of amounts due and unpaid and/or for damages. Election of one (1) remedy by CCI is not a waiver of other available remedies.
- 12. Force Majeure. If by reason of Force Majeure either CCI or Parma is unable in whole or in part to perform or observe that party's obligations under this Agreement, the non-performing party shall not be deemed in default during the continuance of inability, including a reasonable time for the removal of the effect thereof. For the purposes of this Section, "Force Majeure" means and includes acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; order or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; nuclear accidents; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; arrests; restraint of government and people; explosions, breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; and shortages of labor, materials, supplies, or transportation.
- 13. <u>Continuing Activities</u>. Parma and CCI agree to make improvements to the Radio System and ISSI/BeOn application software and firmware as and when both parties agree.
- 14. Assignment. Parma or CCI may transfer or assign its respective rights and obligations herein to a successor or purchaser only after the following conditions have been satisfied: (a) at least 30 days prior to any potential assignment, the assigning party provides notice to the other party the name and contact information for such assignee and the anticipated date of the assignment; and (b) such new contractor assumes in writing for the benefit of non-assigning party all of the obligations of the assignor as set forth in this Agreement, which assumption is consented to the non-assigning party prior to the effectiveness of such assignment.
- 15. <u>Compliance with Law and Standard Practices</u>. CCI shall perform its obligations hereunder in compliance with any and all applicable federal, state, and local laws, rules, and regulations, in accordance with sound engineering and safety practices and in compliance with any and all reasonable rules of relative to CCI Facilities located within the Radio System. CCI

shall be responsible for obtaining all governmental permits, consents, and authorizations as may be required to operate its CCI Facilities and related communications systems as described herein.

16. Notices. All notices, requests and other communications hereunder shall be in writing and shall be sent by any one of the following methods: (i) personally delivered, (ii) US Mail, (iii) national overnight delivery service, or (iii) email or other electronic transmission, addressed to the following addresses (or at such other address as may be designated by either of the parties in a written notice given in accordance with the provisions of this paragraph):

If to Parma, to:

City of Parma

6611 Ridge Road Parma, Ohio 44129

Attn: Michael O'Malley, Safety Services Director

Phone: (440) 885-8174

Email: safetydepartment@cityofparma-oh.gov

With a copy to:

Timothy Dobeck, Esq. 6611 Ridge Road Parma, Ohio 44129 Phone: (440) 885-8132

Email: law@cityofparma-oh.gov

If to CCI, to

Cleveland Communications, Inc.

Attn: Alan Close 5220 Hauserman Road Parma, Ohio 44130 Phone: (216) 398-6500

Email: alclose@clecom.com

With a copy to:

Dean E. DePiero Esq.

5546 Pearl Rd. Parma, OH 44129 ddeperio@yahoo.com

All such notices, requests and other communications shall be deemed to have been sufficiently given and received for all purposes hereof on the date of actual receipt thereof, or on the date of refusal of delivery by the addressee.

- 17. <u>Severability</u>. In the event that any clause or provision of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or unconscionable.
- 18. <u>Complete Agreement</u>. This Agreement, when executed, together with all Schedules attached hereto or to be attached hereto, as provided for by this Agreement shall constitute the entire agreement between both parties and this Agreement may not be amended, modified, or terminated except by a written amendment signed by the parties hereto.

- 19. <u>No Partnership or Joint Venture</u>. It is understood and agreed by the parties hereto that nothing in this Agreement (or any schedules or exhibits attached hereto, if any) is intended or should be construed to in any way create or establish the relationship of partners or a joint venture between CCI and Parma.
- 20. <u>Further Documents</u>. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.
- 21. <u>Applicable Law</u>. This Agreement shall be construed in accordance with, and governed by the laws of the State of Ohio. Any action to enforce the provisions of this Agreement shall be brought in state court in Cuyahoga County, Ohio. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.
- 22. <u>Headings</u>. Headings and subtitles used throughout this Agreement are for the purpose of convenience only, and no heading or subtitle shall modify or be used to interpret the text of any section.
- 23. <u>Drafting Not to be Construed Against any Party</u>. All parties acknowledge and agree that each has had a full opportunity to review and have input into this Agreement and that any ambiguity found shall not be construed against any party as drafter.
- Limitation of Liability. In no event, whether as a result of breach of contract, tort liability (including negligence), strict liability, or otherwise, shall either party be liable to the other for special, punitive, incidental, indirect, exemplary, or consequential damages of any nature whatsoever, including loss of profits. Except in the case of fraud or willful misconduct, the parties intend that the waivers, limitation and disclaimers of liability, shall apply even in the event of the fault, negligence (in whole or in part), strict liability, or breach of contract. The parties also intend and agree that such provisions shall continue in full force and effect notwithstanding termination, suspension, cancellation, or expiration of this Agreement.
- 25. <u>Cooperation</u>. The parties agree to act reasonably in the performance of this Agreement. Wherever either CCI or Parma's approval is required in this Agreement, it is understood that such approvals shall not be unreasonably withheld, delayed or conditioned unless this Agreement specifically provides that a different standard should apply.
- 26. No Third Party Beneficiaries. This Agreement shall not run to the benefit of or be enforceable by any person or entity other than CCI or Parma (as identified in the first paragraph on the first page of this Agreement), and their respective successors and permitted assignees. This Agreement shall not be deemed to confer upon third parties any remedy, claim, right of reimbursement or any other right which either CCI or Parma may have now or in the future.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate originals by their duly authorized representatives.

By:Alan Close, its President
CITY OF PARMA, OHIO
By: Michael O'Malley its Safety Director
Approved as to form:
Law Director

CLEVELAND COMMUNICATIONS, INC.